

REFERENCE TITLE: unemployment benefits; disqualification.

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

## **HB 2349**

Introduced by  
Representatives Prezelski, Gallardo, Sinema: Lujan

AN ACT

AMENDING SECTION 23-777, ARIZONA REVISED STATUTES; RELATING TO EMPLOYMENT SECURITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-777, Arizona Revised Statutes, is amended to  
3 read:

4 23-777. Disqualification from benefits for unemployment  
5 resulting from labor dispute; exceptions; effect on  
6 contribution rate; definition

7 A. An individual shall be disqualified for benefits for any week with  
8 respect to which the commission finds that his total or partial unemployment  
9 is due to a labor dispute, ~~OR strike or lockout~~ which exists at the factory,  
10 establishment or other premises at which he is or was last employed. This  
11 provision shall not apply if it is shown to the satisfaction of the  
12 commission that the individual is not participating in, financing or directly  
13 interested in the labor dispute, ~~OR strike or lockout~~ or that he does not  
14 belong to a grade or class of workers of which, immediately before the  
15 commencement of the labor dispute, ~~OR strike or lockout~~, there were members  
16 employed at the premises at which the labor dispute, ~~OR strike or lockout~~  
17 occurs, any of whom are participating in or financing or directly interested  
18 in the dispute, ~~OR strike or lockout~~. In the case of separate branches of  
19 work commonly conducted as separate businesses in separate premises, each  
20 department ~~shall~~, for the purposes of this section, ~~SHALL~~ be deemed to be a  
21 separate factory, establishment or other premises.

22 B. If the commission, upon investigation, finds that the dispute, ~~OR~~  
23 ~~strike or lockout~~ is caused by the failure or refusal of an employer to  
24 conform to the provisions of an agreement or contract between employer and  
25 employee, or a law of this state or of the United States pertaining to hours,  
26 wages or other conditions of work, such dispute, ~~OR strike or lockout~~ shall  
27 not render the workers ineligible for benefits.

28 C. Benefits paid to an individual as a result of total or partial  
29 unemployment due to a labor dispute, ~~OR strike or lockout~~ shall not be used  
30 as a factor in determining the contribution rate of employers of such  
31 individual prior to the commencement of the labor dispute, ~~OR strike or~~  
32 ~~lockout~~. Where an individual's unemployment subsequent to the termination of  
33 a labor dispute, ~~OR strike or lockout~~ is a result of the labor dispute, ~~OR~~  
34 ~~strike or lockout~~, including replacement of former employees by the employer  
35 as a legitimate tactic of or response to the labor dispute, ~~OR strike or~~  
36 ~~lockout~~, benefits paid to the individual shall not be charged to the account  
37 or used as a factor in determining the contribution rate of any base-period  
38 employer.

39 D. "Labor dispute" as used in this section has its ordinary meaning.  
40 The existence of a labor dispute does not depend on the existence of a  
41 ~~strike, lockout~~ or any other stoppage of work, nor does there have to be any  
42 actual unemployment or imminent threat of unemployment or any particular  
43 number of individuals involved, before a labor dispute exists.